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October 9, 2019

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~~FedEx~~ UPS Overnight Courier / Tuesday Delivery
Tracking Number
Copy by email JoelMickelson@romspen.com

~~FedEx~~ UPS Overnight Courier / Tuesday Delivery
Tracking Number 1Z6125750195581082
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Re: 3443 Zen Garden Limited Partnership Loan – NOTICE OF DEFAULT

Gentlemen:

This firm represents 3443 Zen Garden Limited Partnership. This letter will notify you of Romspen Mortgage Limited Partnership's ("Romspen") default under the April 27, 2018 Loan Documents executed in connection with Romspen's \$125,000,000 loan to our client. This will confirm that, in a telephone call at 4:45 p.m. today, you advised Daniel Ryan and me that your client refuses to fund the pending draw request under the Loan. Please note:

1. Your client is in default by reason of withholding funding of the pending draw request, resulting in disruption to the construction project, massive additional costs of construction, loss of supply contracts at favorable prices, and loss of rental opportunities.
2. Your client is in default by reason of withholding funding based upon an allegation that our client misapplied funds, when, in fact, your client well knew that each and every draw request was fully approved by your client and its inspectors.
3. Your client is in default by reason of its refusal to deliver its Consent to the PACE financing, thus delaying and interfering with the \$30,000,000 PACE financing proposed by Greenworks Lending.
4. Your client is in default by reason of its refusal to deliver its Joinder in the Second Amendment to the Declaration of Condominium, a requirement of the PACE Lender.
5. Your client is in default by reason of its statements in writing that your client would only disburse a maximum of \$102,000,000 of the funds required to be available under the \$125,000,000 Promissory Note dated April 27, 2018 and that it is your client's "routine practice" to overstate such promissory notes in this and other loans. The foregoing also constitutes fraud upon the State of Texas and Chicago Title Insurance Company, causing damage to the project.

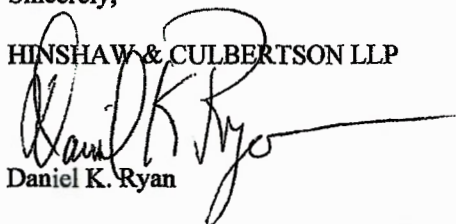
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6. Your client is in default by reason of violation of federal and Texas civil RICO statutes by reason of the foregoing practice and other lending practices.
7. Your client is in default by reason of withholding funding based upon allegation of a non-existent requirement that the Borrower replenish the initially funded Interest Reserve.
8. Your client is in default by reason of withholding funding based upon allegation of a yet-to-be-declared "balancing event".
9. Your client is in default by reason of withholding funding based upon allegation of a non-existent "right" to withhold funding in the event of the loss of a tenant.
10. Your client is in default by reason of its tortious interference with the Borrower's and the Guarantor's business relationships with the PACE Lender, its contractors and suppliers, its tenants, local and state government agencies.
11. Upon information and belief, your client is in default by reason of its failure to maintain adequate funds on hand to fund all draw requests within the time periods prescribed by the Loan Documents.

The foregoing do not constitute a complete recitation of your client's breaches under the Loan Documents and our client reserves the right to expand the foregoing following discovery. Our client demands that your client cure each and every one of the foregoing Events of Default within one business day of the date of this letter.

Sincerely,

HINSHAW & CULBERTSON LLP


Daniel K. Ryan

cc: 3443 Zen Garden Limited Partnership
Steven C. Cronig, Esquire
Nicholas Legatos, Esquire